

TERRESTAR CORPORATION, ET AL.

Debtors-in-Possession

Condensed Consolidated Balance Sheets (Unaudited)

	July 31, 2011
ASSETS	
Current assets	
Cash and cash equivalents	\$ 7,554,688
Due from affiliated companies	162,599,691
Notes due from TerreStar Networks Inc. including accrued interest	65,012,329
Notes due from TerreStar Global LTD including accrued interest	15,255,175
Deferred issuance costs towards bridge loan	2,941,000
Deferred issuance costs towards debtors in possession loan	534,737
Other current assets	2,240,729
Total current assets	256,138,349
Intangible assets	177,480,000
Equity investments in affiliated companies	322,398,339
Total assets	\$ 756,016,688
LIABILITIES AND STOCKHOLDERS' EQUITY	
Current liabilities	
Accounts payable and accrued expenses	\$ 2,727,958
Bridge loan, net	4,304,763
Debtors in Possession loan, net	9,554,737
Deferred revenue	1,466,667
Other current liabilities	192,269
Series A cumulative convertible preferred stock	90,000,000
Series B cumulative convertible preferred stock	318,500,000
Series A and Series B cumulative convertible preferred stock dividends payable	56,446,615
Total current liabilities	483,193,009
Other non current liabilities	5,575
Deferred income taxes	25,773,205
Total liabilities	508,971,789
Stockholders' equity	
Series C preferred stock (\$0.01 par value, 1 share authorized and 1 share issued and outstanding at July 31, 2011)	-
Series D preferred stock (\$0.01 par value, 1 share authorized and 1 share issued and outstanding at July 31, 2011)	-
Series E junior convertible preferred stock (\$0.01 par value, 1,900,000 shares authorized and 1,200,000 shares issued and outstanding at July 31, 2011)	12,000
Common stock; voting, par value \$0.001; authorized 240,000,000 shares; 143,308,606 shares issued and 139,357,404 shares outstanding as of July 31, 2011	1,433,086
Additional paid-in capital	1,074,029,348
Treasury stock (3,951,202 common shares held in treasury stock at July 31, 2011)	(73,876,875)
Accumulated deficit	(754,552,660)
Total stockholders' equity	247,044,899
Total liabilities and stockholders' equity	\$ 756,016,688